

**State of Alaska
FY2019 Governor's Operating Budget**

**Department of Revenue
AMBBA Operations
RDU/Component Budget Summary**

RDU/Component: AMBBA Operations

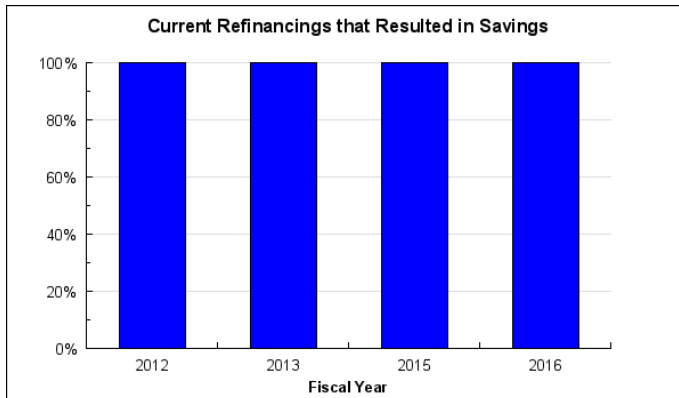
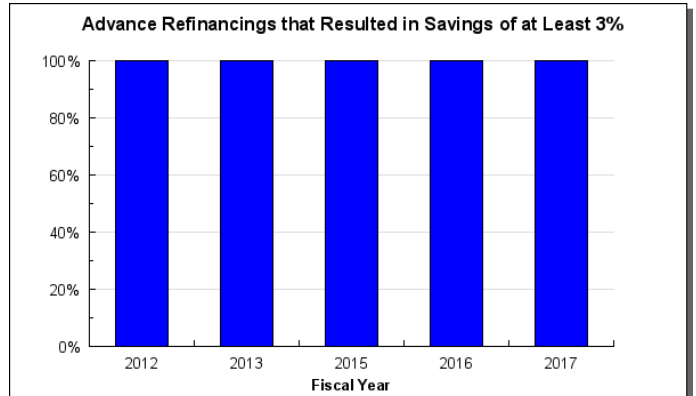
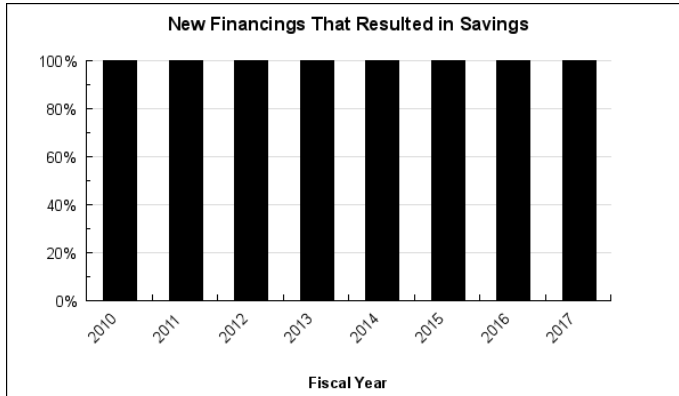
(There is only one component in this RDU. To reduce duplicate information, we did not print a separate RDU section.)

Contribution to Department's Mission

The mission of the Alaska Municipal Bond Bank is to provide municipalities with financing options for capital projects.

Results

(Additional performance information is available on the web at <https://omb.alaska.gov/results>.)



Core Services

- Provide lowest cost financing for Alaska municipal governments

Measures by Core Service

(Additional performance information is available on the web at <https://omb.alaska.gov/results>.)

1. Provide lowest cost financing for Alaska municipal governments

Target: The Bond Bank will finance 100% of the deals done statewide by municipalities with less than A1 ratings.



Major Component Accomplishments in 2017

- The Bond Bank sold five series of bonds in FY 2017, the 2016 Series Three & Four, the Series 2017A, and the 2017 Series One & Two. During FY 2017 the Bond Bank issued \$255.0 million in bonds, which resulted in \$280.7 million in loans to communities and a Regional Health Organization. Loans were issued for new capital projects, or the advance refinancing of previously issued debt. The Bond Bank used these funds to enter into 27 loan agreements with 18 authorized borrowers: City of Petersburg, City of Nome, Northwest Arctic Borough, City of Seward, City of Wasilla, City & Borough of Sitka, Aleutians East Borough, Kenai Peninsula Borough, City of Bethel, City of Kodiak, City of Dillingham, Kodiak Island Borough, Municipality of Skagway, City & Borough of Juneau, City of Ketchikan, City of Unalaska, City of Whittier, and the Yukon-Kuskokwim Health Corporation. These borrowers are estimated to have saved over \$41.2 million in reduced issuance costs and lowered future interest expense in their funding of schools, school renovations, health care facilities, harbors, ports, utilities, and other community capital projects.
- Part of fiscal year 2017 totals was a \$102.5 million loan to partially fund the Yukon-Kuskokwim Health Corporation's Paul John Calricaraq Project, which includes constructing and equipping the expansion of an existing hospital and a new primary care clinic in Bethel, Alaska. This loan represents the largest single loan issued by the Bond Bank since inception.

Key Component Challenges

- FY2017 was another year of heightened activity level at the Bond Bank. From FY2016 to FY2017 outstanding debt increased by \$97.2 million or 8.91% to an outstanding balance of \$1,187.6 million on June 30, 2017. Since June 30, 2012, Bond Bank outstanding debt has increased by \$452 million, representing an annual average increase of approximately \$90.4 million. The \$1,187.6 million in outstanding bonds leaves approximately \$604.9 million that the Bond Bank can issue under its statutory limitation of \$1.7925 billion.
- In FY 2015, additional authority was provided to the Bond Bank to allow joint action agencies to use the Bond Bank as well as allow for up to \$205 million of additional lending to regional health organizations. The first issuance of \$44.1 million was made with this authority in FY2016. The second issuance of \$102.5 million was made with this authority in FY2017.
- The Bond Bank will continue to seek to maintain the diversity of the municipalities in the pool, including an attempt to attract stronger municipalities with stronger credit ratings, and a broader array of municipal enterprise credits. Having a portfolio of borrowers that represents a diversity of regions and economic activity helps ensure the Bond Bank maintains its favorable credit rating.

Significant Changes in Results to be Delivered in FY2019

No changes in results delivered.

Statutory and Regulatory Authority

AS 44.85 Alaska Municipal Bond Bank Authority

Contact Information

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AMBBA Operations Personal Services Information				
Authorized Positions			Personal Services Costs	
	<u>FY2018</u> <u>Management</u> <u>Plan</u>	<u>FY2019</u> <u>Governor</u>		
Full-time	1	1	Annual Salaries	136,957
Part-time	0	0	Premium Pay	0
Nonpermanent	0	0	Annual Benefits	65,633
			<i>Less 0.00% Vacancy Factor</i>	(0)
			Lump Sum Premium Pay	0
Totals	1	1	Total Personal Services	202,590

Position Classification Summary					
Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
State Investment Officer	0	0	1	0	1
Totals	0	0	1	0	1

Component Detail All Funds
Department of Revenue

Component: AMBBA Operations (108)

Non-Formula Component

RDU: Alaska Municipal Bond Bank Authority (44)

	FY2017 Actuals	FY2018 Conference Committee	FY2018 Authorized	FY2018 Management Plan	FY2019 Governor	FY2018 Management Plan vs FY2019 Governor	
71000 Personal Services	188.3	191.5	191.5	191.5	202.6	11.1	5.8%
72000 Travel	0.6	14.5	14.5	14.5	14.5	0.0	0.0%
73000 Services	431.7	796.5	796.5	796.5	785.7	-10.8	-1.4%
74000 Commodities	0.4	3.8	3.8	3.8	3.8	0.0	0.0%
75000 Capital Outlay	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
77000 Grants, Benefits	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Totals	621.0	1,006.3	1,006.3	1,006.3	1,006.6	0.3	0.0%
Fund Sources:							
1104MBB Rcpts (Other)	621.0	901.3	901.3	901.3	901.6	0.3	0.0%
1108Stat Desig (Other)	0.0	105.0	105.0	105.0	105.0	0.0	0.0%
Unrestricted General (UGF)	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Designated General (DGF)	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Other Funds	621.0	1,006.3	1,006.3	1,006.3	1,006.6	0.3	0.0%
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Positions:							
Permanent Full Time	1	1	1	1	1	0	0.0%
Permanent Part Time	0	0	0	0	0	0	0.0%
Non Permanent	0	0	0	0	0	0	0.0%

Change Record Detail - Multiple Scenarios with Descriptions
Department of Revenue

Component: AMBBA Operations (108)
RDU: Alaska Municipal Bond Bank Authority (44)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
***** Changes From FY2018 Conference Committee To FY2018 Authorized *****												
FY2018 Conference Committee												
	ConfCom	1,006.3	191.5	14.5	796.5	3.8	0.0	0.0	0.0	1	0	0
1104 MBB Rcpts		901.3										
1108 Stat Desig		105.0										
Subtotal		1,006.3	191.5	14.5	796.5	3.8	0.0	0.0	0.0	1	0	0
***** Changes From FY2018 Management Plan To FY2019 Governor *****												
FY2019 Salary and Health Insurance Increases												
	SalAdj	0.3	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1104 MBB Rcpts		0.3										
Salary and Health Insurance Increases: \$0.3												
Calculate FY2019 increase to GGU Health Insurance from \$1389 to \$1432 per member per month.												
Align Authority to Reallocate for Spending Plan												
	LIT	0.0	10.8	0.0	-10.8	0.0	0.0	0.0	0.0	0	0	0
The Alaska Municipal Bond Bank Authority is transferring services authorization to personal services in order to bring personal services within vacancy factor guidelines.												
Totals		1,006.6	202.6	14.5	785.7	3.8	0.0	0.0	0.0	1	0	0

Personal Services Expenditure Detail
Department of Revenue

Scenario: FY2019 Governor (14641)
Component: AMBBA Operations (108)
RDU: Alaska Municipal Bond Bank Authority (44)

PCN	Job Class Title	Time Status	Retire Code	Barg Unit	Location	Salary Sched	Range / Step	Comp Months	Split / Count	Annual Salaries	COLA	Premium Pay	Annual Benefits	Total Costs	UGF Amount
04-5022	Operations Res Anl I	FT	A	GP	Juneau	205	21G / J	6.0	*	46,956	0	0	24,988	71,944	0
04-5025	State Investment Officer	FT	A	XE	Juneau	N05	22	6.0	**	90,001	0	0	40,645	130,646	0
													Total Salary Costs:	136,957	
													Total COLA:	0	
													Total Premium Pay::	0	
													Total Benefits:	65,633	
													Total Pre-Vacancy:	202,590	
													Minus Vacancy Adjustment of 0.00%:	(0)	
													Total Post-Vacancy:	202,590	
													Plus Lump Sum Premium Pay:	0	
													Personal Services Line 100:	202,590	

	Total Positions	New	Deleted
Full Time Positions:	1	0	0
Part Time Positions:	0	0	0
Non Permanent Positions:	0	0	0
Positions in Component:	1	0	0

Total Component Months: 12.0

PCN Funding Sources:	Pre-Vacancy	Post-Vacancy	Percent
1104 Alaska Municipal Bond Bank Receipts	202,590	202,590	100.00%
Total PCN Funding:	202,590	202,590	100.00%

Note: If a position is split, an asterisk (*) will appear in the Split/Count column. If the split position is also counted in the component, two asterisks (**) will appear in this column. [No valid job title] appearing in the Job Class Title indicates that the PCN has an invalid class code or invalid range for the class code effective date of this scenario.

Line Item Detail (1676)
Department of Revenue
Travel

Component: AMBBA Operations (108)

Line Number	Line Name		FY2017 Actuals	FY2018 Management Plan	FY2019 Governor
2000	Travel		0.6	14.5	14.5
Object Class	Servicing Agency	Explanation	FY2017 Actuals	FY2018 Management Plan	FY2019 Governor
2000 Travel Detail Totals			0.6	14.5	14.5
2000	In-State Employee Travel	Paid by cost of issuance	0.0	9.0	9.0
		Employee instate travel - airfare, lodging, surface transportation, reimbursable travel costs, and meal & incidentals			
2002	Out of State Employee Travel	Employee out of state travel - airfare, lodging, surface transportation, reimbursable travel costs, and meal & incidentals	0.6	5.5	5.5

Line Item Detail (1676)
Department of Revenue
Services

Component: AMBBA Operations (108)

Line Number	Line Name		FY2017 Actuals	FY2018 Management Plan	FY2019 Governor
3000	Services		431.7	796.5	785.7
Object Class	Servicing Agency	Explanation	FY2017 Actuals	FY2018 Management Plan	FY2019 Governor
3000 Services Detail Totals			431.7	796.5	785.7
3000	Education Services	Training, conferences, memberships, and employee tuition	1.9	1.1	1.1
3001	Financial Services	Accounting, auditing, management/consulting services	144.2	482.9	472.1
3003	Information Technology	IT training, consulting, software licensing, software maintenance, and IT equipment leases	1.0	0.3	0.3
3004	Telecommunications	Local, long distance, cellular and telecommunications equipment charges; data/network; and television	1.3	1.1	1.1
3006	Delivery Services	Delivery and courier services	0.3	0.6	0.6
3007	Advertising and Promotions	Advertising of legal notices for regulations and public hearings	2.9	4.8	4.8
3010	Equipment/Machinery	Repairs, maintenance, rentals and/or leases of office furniture and equipment	0.5	0.5	0.5
3011	Other Services	Admin - Department-wide Professional management and consulting services; printing and copying services; and State Travel Office fees	0.1	0.3	0.3
3017	Inter-Agency Information Technology Non-Telecommunications	Admin - Department-wide ETS chargeback for computer services (including EPR and MICS charges for mainframe usage)	1.7	0.7	0.7
3018	Inter-Agency Information Technology Telecommunications	Admin - Department-wide ETS chargeback for telecommunications EPR, phone	2.3	1.8	1.8

Line Item Detail (1676)
Department of Revenue
Services

Component: AMBBA Operations (108)

Object Class		Servicing Agency	Explanation	FY2017 Actuals	FY2018 Management Plan	FY2019 Governor
			3000 Services Detail Totals	431.7	796.5	785.7
			lines and service requests			
3021	Inter-Agency Mail	Admin - Department-wide	Central mailroom services including pickup and delivery of U.S. mail, postage, mailing of state warrants	0.7	0.6	0.6
3022	Inter-Agency Human Resources	Admin - Department-wide	Human resource and payroll services provided by the Division of Personnel	0.6	0.6	0.6
3023	Inter-Agency Building Leases	Admin - Department-wide	Cost of space in state-owned facilities	4.5	7.0	7.0
3024	Inter-Agency Legal	Law - Department-wide	Legal services provided by the Department of Law	249.0	275.0	275.0
3026	Inter-Agency Insurance	Admin - Department-wide	Risk Management	0.1	0.1	0.1
3027	Inter-Agency Financial	Admin - Department-wide	Division of Finance IRIS and AKPAY	0.6	0.4	0.4
3028	Inter-Agency Americans with Disabilities Act Compliance	Admin - Department-wide	ADA compliance	0.1	0.1	0.1
3036	Inter-Agency Safety	Admin - Department-wide	Parking enforcement at State Office Building located in Juneau	0.1	0.1	0.1
3038	Inter-Agency Management/Consulting	Rev - Administrative Services (125)	Support services provided by the Administrative Services Division, including IT, fiscal, budget, contract management, procurement, and legislative support	18.4	16.9	16.9
3038	Inter-Agency Management/Consulting	Rev - Commissioner's Office (123)	Support services provided by the Commissioner's Office	1.4	1.6	1.6

Line Item Detail (1676)
Department of Revenue
Commodities

Component: AMBBA Operations (108)

Line Number	Line Name		FY2017 Actuals	FY2018 Management Plan	FY2019 Governor
4000	Commodities		0.4	3.8	3.8
Object Class	Servicing Agency	Explanation	FY2017 Actuals	FY2018 Management Plan	FY2019 Governor
4000 Commodities Detail Totals			0.4	3.8	3.8
4000	Business	Business Supplies including furniture; office supplies; desktop computers, printers and IT equipment less than \$5,000 per item; and subscriptions including electronic access to information Business supplies including book and educational equipment and furniture; office supplies; desktop computers, printers and IT equipment less than \$5,000 per item; and subscriptions including electronic access to information	0.4	3.8	3.8

Revenue Detail (1681)
Department of Revenue

Component: AMBBA Operations (108)

Revenue Type (OMB Fund Code) Revenue Source	Component	Comment	FY2017 Actuals	FY2018 Management Plan	FY2019 Governor
5104 MBB Rcpts (1104 MBB Rcpts)			621.0	901.3	901.6
5419 Alaska Municipal Bond Bank Receipts	Rev - AMBBA Operations (108)	Municipal Bond Bank Receipts Municipal Bond Bank Receipts	621.0	901.3	901.6
5108 Stat Desig (1108 Stat Desig)			0.0	105.0	105.0
5205 Statutory Dsgntd Prgrm Rcpts Development - Charges for Svcs		Proceeds of the bond issues of the regional health organizations Proceeds of the bond issues of the regional health organizations	0.0	105.0	105.0

Inter-Agency Services (1682)
Department of Revenue

Component: AMBBA Operations (108)

	FY2017 Actuals	FY2018 Management Plan	FY2019 Governor
Component Totals	279.6	305.2	305.2
With Department of Administration	10.8	11.7	11.7
With Department of Law	249.0	275.0	275.0
With Department of Revenue	19.8	18.5	18.5

Object Class	Servicing Agency	Explanation	FY2017 Actuals	FY2018 Management Plan	FY2019 Governor
3011 Other Services	Admin - Department-wide	Professional management and consulting services; printing and copying services; and State Travel Office fees	0.1	0.3	0.3
3017 Inter-Agency Information Technology Non-Telecommunications	Admin - Department-wide	ETS chargeback for computer services (including EPR and MICS charges for mainframe usage)	1.7	0.7	0.7
3018 Inter-Agency Information Technology Telecommunications	Admin - Department-wide	ETS chargeback for telecommunications EPR, phone lines and service requests	2.3	1.8	1.8
3021 Inter-Agency Mail	Admin - Department-wide	Central mailroom services including pickup and delivery of U.S. mail, postage, mailing of state warrants	0.7	0.6	0.6
3022 Inter-Agency Human Resources	Admin - Department-wide	Human resource and payroll services provided by the Division of Personnel	0.6	0.6	0.6
3023 Inter-Agency Building Leases	Admin - Department-wide	Cost of space in state-owned facilities	4.5	7.0	7.0
3024 Inter-Agency Legal	Law - Department-wide	Legal services provided by the Department of Law	249.0	275.0	275.0
3026 Inter-Agency Insurance	Admin - Department-wide	Risk Management	0.1	0.1	0.1
3027 Inter-Agency Financial	Admin - Department-wide	Division of Finance IRIS and AKPAY	0.6	0.4	0.4
3028 Inter-Agency Americans with Disabilities Act Compliance	Admin - Department-wide	ADA compliance	0.1	0.1	0.1
3036 Inter-Agency Safety	Admin - Department-wide	Parking enforcement at State Office Building located in Juneau	0.1	0.1	0.1

Inter-Agency Services (1682)
Department of Revenue

Component: AMBBA Operations (108)

Object Class		Servicing Agency	Explanation	FY2017 Actuals	FY2018 Management Plan	FY2019 Governor
3038	Inter-Agency Management/Consulting	Rev - Administrative Services (125)	Support services provided by the Administrative Services Division, including IT, fiscal, budget, contract management, procurement, and legislative support	18.4	16.9	16.9
3038	Inter-Agency Management/Consulting	Rev - Commissioner's Office (123)	Support services provided by the Commissioner's Office	1.4	1.6	1.6